were available, therefore, Fanch would not be able to make

decisions regarding the proper rate structures for many of its

DECLARATION OF JAY BUSCH

I, Jay Busch, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. My name is Jay Busch. I am President for Triax Communications Corporation. Triax operates approximately 460 cable systems in 17 states, and provides cable service to approximately 345,000 subscribers.

2. Triax operates a large number of cable systems that would be severely affected by application of the Federal Communications Commission's rate regulation benchmarks.

3. For example, Triax operates a cable system in Wilsonville, Illinois. Triax acquired the system in 1988 and currently provides 17 channels of video programming to 98 subscribers. Triax acquired the system for a fair market price of approximately $1500 to $1700 per subscriber.

4. In 1992 the system had total revenues of $32,000.

5. During the same period, the system experienced pro rata operating expenses of approximately $15,700. The depreciation and amortization for the system (on a pro rata basis) was approximately $14,100, and the interest expense for the system (also on a pro rata basis) was approximately $12,600.

6. During 1992, therefore, the Wilsonville system had a net loss of $10,400.

7. The FCC benchmark methodology would require Triax to reduce the revenues from regulated services in the Wilsonville system by approximately $4,400, for a net loss of $14,800.

8. In the event Triax decreased its rates (and revenues) by $4,400, the system's net loss would increase to the point where revenues would not cover all of the current interest expense associated with the system, excluding (non-cash) depreciation and amortization charges.

9. In order to comply with the FCC's rules, by June 21, 1993, Triax must take one of three steps: (1) cease its operations in the system, forcing it to cut off service to all of the system's subscribers; (2) roll back its rates to benchmark levels which will reduce its revenues so that the system cannot even cover its interest expense, let alone any of the system's depreciation or amortization; or (3) attempt to maintain its current rate structure based on a cost-of-service analysis. However, the FCC has not issued standards to guide cable operators through their cost-of-service analysis, notwithstanding its threat that any attempt to justify rates by a cost-of-service analysis could result in a reduction of rates to a level below the benchmark.

10. In view of the FCC's threat, coupled with the FCC's failure to issue any standards to guide cable operators through their cost-of-service analysis, Triax simply does not have sufficient information to determine whether it should shut down the system, reduce its rates to benchmark levels, or attempt a cost-of-service analysis.

11. If this were a stand-alone system, the inability to meet the system's interest expenses would require serious consideration to shutting the system off. On the other hand, although Triax believes that any reasonable cost-of-service analysis would justify the system's existing rates (and even a substantial increase), Triax has no assurance at this time that what it considers a reasonable cost of service analysis will be employed. And the FCC has indicated that cable systems (including Triax) may be required to make a refund to subscribers back to June 21, 1993, for any charges above those justified by the FCC's analysis. Therefore, if Triax chooses to retain its current rates based on a cost-of-service analysis, it runs the risk that its net losses could be <u>even higher</u> than the losses that would be generated for the period after June 21 under the benchmarks.

Jay Busch

1022G

EXHIBIT E

DECLARATION

I, the undersigned, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief.

Douglas Communications Corp. II ("Douglas") is the managing general partner of five limited partnerships, which, as of March 3, 1993, owned and [illegible] additional time to complete the calculations and conduct the analysis necessary to calculate the impact of and to comply with the FCC's regulations. The Commission should not require compliance with the benchmarks until the parameters of the cost-of-service alternative are defined.

Michael J. Pohl
Senior Vice President,
Douglas Communications Corp. II

Dated: 6/10/93

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DECLARATION

I, Vince King, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

ACI Management, Inc. ("ACI") manages systems in Brookshire, Waelder, Chimney Hill, Fulshear, Prairie View, Moulton, Ponder and Argyle, Texas. The average number of subscribers for these systems is 266 and the systems serve a total of approximately 2,000 subscribers. The average number of subscribers per community unit is 152. These systems offer an average of 24 channels of regulated service.

Approximately one year ago, ACI was brought in to turn around and manage these systems, which have suffered net losses for the last five years. Through ACI's efforts, the systems' net losses have begun to decrease. However, as demonstrated by the chart below, compliance with the FCC's benchmarks would substantially increase the systems' net losses. The systems currently operate under a forbearance agreement with their lender. <u>Any</u> reduction in operating revenue would violate multiple revenue and cash flow covenants in the forbearance agreement. Furthermore, such violations could cause the systems to go into bankruptcy, and ultimately cause deactivation of the systems. This loss of service would leave the 2000 subscribers of the systems without cable television service.

The following chart illustrates the dramatic reductions that would be required to comply with FCC benchmarks:

Monthly Cash Flow
Per Subscriber Basis

	Current	Benchmark
Revenue		
Regulated	23.98	21.57
Unregulated	6.43	6.43
	30.41	28.00
Operating Expenses	22.81	22.81
Interest Expense	5.69	5.69
Principal Reduction	0.94	0.94
Maintenance Cap Expense */	1.88	1.88
	31.32	31.32
Net Cash Loss	-0.91	-3.32

*/ *"Maintenance capital expense" includes routine replacement costs for equipment, including equipment changes required by the FCC's new technical standards.*

Vince King
President,
ACI Management, Inc.

Dated: June 10, 1993

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Petition for Stay were hand-delivered this 11th day of June, 1993 to:

Chairman James H. Quello
Federal Communications Commission
Room 802
1919 M Street, N.W.
Washington, D.C. 20554

Commissioner Ervin S. Duggan
Federal Communications Commission
Room 832
1919 M Street, N.W.
Washington, D.C. 20554

Commissioner Andrew C. Barrett
Federal Communications Commission
Room 844
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